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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 2, 2016

Steve L. Gilbert
Black Iron, LLC.
6249 West Gilbert Industrial Court
Hurricane, Utah 84737

Subject: Deficient Application for Transfer of Notice of Intention, CML Metals, Inc., Iron Mountain Mine, M/021/0008, Iton County, Utah

Dear Mr. Gilbert:

On July 20, 2015, the Division of Oil, Gas and Mining received an application to transfer the Notice of Intention to Commence Large Mining Operations (Notice) for the Iron Mountain mine from CML Metals, Inc., to Black Iron, LLC. This transfer application cannot be approved at this time because the Division has not received an acceptable replacement reclamation surety. Other aspects of the transfer application are complete.

The Division understands Black Iron is working to provide a replacement surety, but until this surety is submitted and approved, CML Metals is considered the operator for the Iron Mountain mine.

The existing Notice includes plans to re-mine certain areas which the Division understands Black Iron does not intend to mine (pre-law areas). These areas were disturbed prior to enactment of the Mined Land Reclamation Act, so unless they are re-disturbed, there is no requirement for these areas to be reclaimed or to include them in the reclamation cost estimate.

Before finalizing the reclamation cost estimate, the Division needs to receive either an amendment removing the pre-law areas from the Notice, or notification that the pre-law areas will remain part of the Notice. The Division understands an amendment is forthcoming.

Please contact Lynn Kunzler at 801-538-5310 or me at 801-538-5261 if you have questions regarding this letter.

Sincerely,

Paul Baker
Minerals Program Manager

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Cc: CML Metals, Inc.
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